

Served: February 25, 2000



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 22nd day of February, 2000

Ninety-day Notice of

GREAT LAKES AVIATION, LTD.

to terminate service at Pueblo, Colorado
under 49 U.S.C. 41731 *et seq.*

Docket OST-99-6589 - 3

**ORDER PROHIBITING SUSPENSION OF SERVICE
AND REQUESTING PROPOSALS**

Summary

By this order, the Department is prohibiting Great Lakes Aviation, Ltd., from suspending service at Pueblo, Colorado, and requesting proposals from carriers interested in providing replacement essential air service at the community. (See Appendix A for map.)

Background

On December 2, 1999, Great Lakes filed a 90-day notice of its intent to suspend service at Pueblo, effective March 1, 2000. Great Lakes currently provides three Alamosa-Pueblo-Denver round trips a day. Prior to Great Lakes' service Pueblo, Mesa Airlines served the Pueblo-Denver market on a subsidy-free basis until April 23, 1998, when Great Lakes inaugurated subsidy-free Pueblo-Denver service.

Essential Air Service at Pueblo

Essential air service at Pueblo is defined as at least two daily round trips to Denver, providing at least 40 seats in each direction. Under essential air service guidelines, this service must be provided with pressurized aircraft having at least 15 passenger seats.¹

In 1998, there were a total of 6,756 O&D passengers, an average of 10.8 enplanements per day. This represented a significant decrease from 1997, when there were 15,676 O&D passengers, or an average of 25.0 enplanements per day.

¹ Civil Aeronautics Board Order 84-6-19, June 11, 1984.

Request for Proposals

We request that any carriers interested in providing essential air service at Pueblo, file proposals within 20 days of the service date of this order. We ask that carriers submit proposals for three nonstop round trips a day, six days a week to Denver, with 15-seat or larger, pressurized aircraft. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix B.

Procedures for Filing Proposals

For interested carriers unfamiliar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of requesting proposals, conducting reviews of applicants, and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, a copy of Part 204 of our regulations (14 CFR 204), and schedules setting forth our recommended form for submitting data required for calculating compensation and determining the financial and operational ability of applicants to provide reliable essential air service. (Section 204.4 describes the fitness information required of all applicants for authority to provide essential air service.) Applicant carriers that have already submitted this information in another case need only resubmit it if a substantial change has occurred.

However, if there are more recent data or if there have been any changes to the information on file, carriers should provide updates of those information elements. Interested carriers that need to obtain copies of these documents may contact the Office of Aviation Analysis at (202) 366-1053.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces and nondiscrimination.² Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with the regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements, as well as copies of the certifications, should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

² The regulations applicable to each of these three areas are (1) 49 CFR Part 20, New Restrictions of Lobbying, implementing title 31, United States Code, section 1352, entitled, "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants), implementing the Drug-Free Workplace Act of 1988; and (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

Community Comments

If we receive competing proposals, the community and state are welcome to submit comments on the proposals at any time. Early in the proceeding, comments on the proposals' strengths and weaknesses would be particularly helpful, and the civic parties may also express a preference for a particular carrier, if they choose. In any event, after conducting rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.³

Lastly, since Great Lakes is the only carrier providing scheduled air service at Pueblo, its proposed termination would eliminate all air service to the community. Thus, in accordance with 49 U.S.C. 41734, we must prohibit Great Lakes from suspending service at Pueblo for an initial 30-day period beyond the end of the 90-day notice period, through April 1, 2000, or until suitable replacement service has been inaugurated at the community, whichever comes first.⁴

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY;

1. The Department requests that carriers interested in providing essential air service at Ponce, submit their proposals, with subsidy if necessary, within 20 days after the date of service of this order. Proposals should include all the data required by section 204.4 of the Department's Regulations (14 CFR 204.4). An original and five copies of the proposal should be sent to: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title "Proposal to Provide Essential Air Service at Docket OST-99-6589;
2. The Department prohibits Great Lakes from suspending service at Pueblo, Colorado, at the end of its 90-day notice period and requires it to maintain three nonstop round trips a day between Pueblo and Denver, Colorado, through April 1, 2000, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;
3. The Department directs Great Lakes to retain all books, records, and other source and summary documents to support subsidy claims for payment and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;
4. This docket will remain open until further order of the Department; and

³ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be provided reliably without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service as proposed.

⁴ In accordance with 49 U.S.C. 41734(c), we will Great Lakes' service obligation for successive 30-day periods as necessary until replacement service actually begins.

5. The Department will serve a copy of this order on the City Manager and Airport Manager of Pueblo, Great Lakes Aviation, Ltd., and the carriers and other parties listed in Appendix C.

By:

A. BRADLEY MIMS

Deputy Assistant Secretary for Aviation
and International Affairs

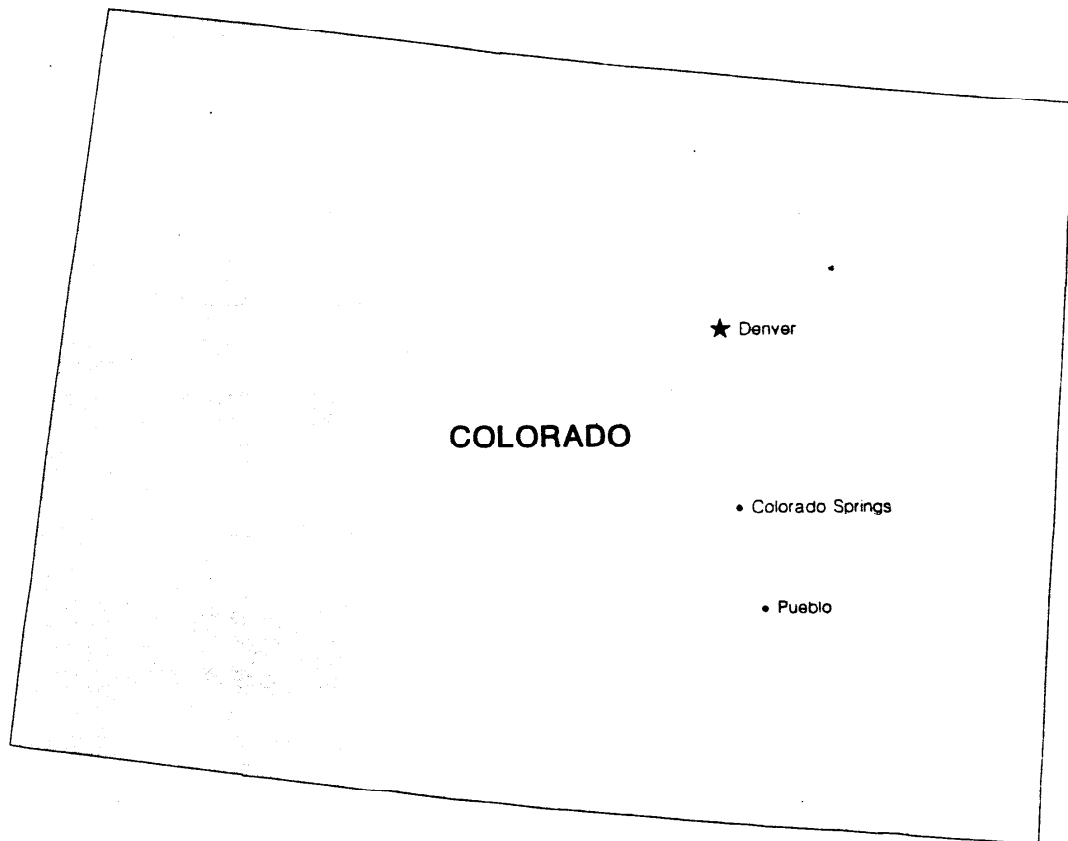
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*An electronic version of this document is available on the World Wide Web at
<http://dms.dot.gov>*

The electronic version may not include all of the appendices

Appendix A

**PUEBLO, COLORADO
AND SURROUNDING COMMUNITIES**



Appendix B

Historical Origin-Destination Traffic and Average Daily Enplanements at Pueblo, Colorado

<u>Four quarters ended</u>	<u>Origin- destination passengers¹</u>	<u>Average annual enplanements²</u>	<u>Average enplanements per service day³</u>
12/31/90	38,640	19,320	61.7
12/31/91	48,908	24,454	78.1
12/31/92	56,357	28,178	89.7
12/31/93	55,195	27,598	88.2
12/31/94	31,583	15,792	50.5
12/31/95	26,550	13,275	42.4
12/31/96	15,760	7,880	25.1
12/31/97	15,676	7,838	25.0
12/31/98	6,756	3,378	10.8

¹ Source: U.S. Department of Transportation, Bureau of Transportation Statistics (BTS), Form 298-C, Schedule T-1, for traffic reported by Rocky Mountain Airways, Continental Express, GP Express Airlines, Mesa Airlines, and Great Lakes Aviation, except for BTS Form T-100 on-flight market origin-destination passengers reported by Mesa Airlines for the period of July 1, 1995, through June 30, 1997.

² Origin-destination passengers divided by two.

³ Average annual enplanements divided by 313 effective annual service days, except for the four quarters ended 12/31/92 and 12/31/96 (314 effective annual service days)

SERVICE LIST FOR THE STATE OF COLORADO

Air L.A., Inc.
Air Transport, Inc.
Alpine Aviation, Inc.
Amerijet International, Inc.
Arizona Airways, Inc.
Arizona Pacific Airlines, Inc.
Aspen Airways, Inc.
Aviation Services West, Inc.
Barken International, Inc.
Blue Ridge Airlines
Delta Connection
Laredo Air, Inc.
Mesa Airlines, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northwest AirlinK
Pacific Air West, Inc.
Pennsylvania Commuter Airlines, Inc.
Renown Aviation, Inc.
Rocky Mountain Airways, Inc.
Rocky Mountain Helicopters, Inc.
Skywest Airlines, Inc.
Wings West Airlines, Inc.

Chuck Aune
Ken Bannon
E.B. Freeman
Ben Harrison
A. Edward Jenner
Keith Kahle
Bob Kams
Alan W. Markham
Helen McCoy
John McFarlane
Richard A. Raymer
Kevin Thomas
